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Annual Report
Financial statements for the
year ended 31 Dec 2021

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Assembly members and advisors

PRESIDENT

Sandra Gidley	Appointed	July 2019 – June 2021
Claire Anderson	Appointed	July 2021

TREASURER

Andre Yeung	Appointed	July 2020
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Assembly

NATIONAL BOARD CHAIRS

Claire Anderson	Appointed	July 2019 – June 2021
Jonathan Burton	Appointed	July 2019 – June 2021
Suzanne Scott-Thomas	Appointed	July 2017 – June 2021
Andrew Carruthers	Appointed	July 2021
Thorrun Govind	Appointed	July 2021
Cheryl Way	Appointed	July 2021

OTHER MEMBERS

Martin Astbury	Re-Appointed	July 2021
Ewan Black	Appointed	July 2018 – June 2021
Sibby Buckle	Re-Appointed	July 2021
David Carter	Appointed	July 2019 – June 2021
Kathleen Cowle	Appointed	July 2021
Mike Hannay	Re-Appointed	July 2021
Jamie Hayes	Appointed	July 2019 – June 2021
Alisdair Jones	Appointed	July 2021
John Marriott	Re-Appointed	July 2021
Ruth Mitchell	Appointed	July 2021
Tase Oputu	Appointed	July 2021
Lynne Smith	Re-Appointed	July 2021

CHIEF EXECUTIVE

Paul Bennett

PRINCIPAL OFFICE

66 East Smithfield, London, E1W 1AW

AUDITOR

Buzzacott LLP

130 Wood St, London, EC2V 6DL

SOLICITOR

Laytons Solicitors LLP

2 More London Riverside, London, SE1 2AP

BANKER

National Westminster Bank

10 Southwark Street, London, SE1 1TJ

Letter from our President and Chief Executive

**CLAIRE ANDERSON, FRPHARMS,
FFRPS, FFIP, FRSPH**
PRESIDENT



PAUL BENNETT, FRPHARMS
CHIEF EXECUTIVE



It falls to the President and Chief Executive to introduce the Financial Statements of the RPS for the year 2021. As always, we publish our accounts fully and openly, in a manner that we believe our members would expect, and our accounts are once again subjected to the scrutiny of external audit in accordance with the applicable laws and Financial Reporting Standards.

When writing this letter last year, to accompany the Financial Statements for 2020, we referenced what we considered to be the most challenging year in living memory. We had hoped that the global pandemic and its impact would improve in 2021 but sadly much of the year echoed the preceding year. Many organisations were negatively impacted as the three nations of Great Britain entered various degrees of 'lockdown' during the year with the consequential impact on population health, workforce wellbeing and financial performance. Thankfully, the Royal Pharmaceutical Society has been relatively sheltered against most of these negative forces, having built a more resilient operational platform over the preceding years, notably strengthening our business model, and targeting our efforts and resources towards our member and customer needs.

The RPS Assembly provided the leadership necessary for the organisation's Executive and their teams to deliver on much of what was identified as important in early 2021, despite the unpredictable nature of the environment. Most notably, a new five-year strategy was developed and published in March 2021. This paves the way for an increasingly viable and sustainable professional leadership body that is ever more relevant and essential to its broadening membership and customer base. Ultimately this allows the RPS to deliver its mission to put pharmacy at the forefront of healthcare while moving ever closer to the vision of becoming the world leader in the safe and effective use of medicines.

As our Financial Statements illustrate, our performance was strong during 2021. We maintained tight controls on our operating costs while exceeding our revenue budgets by £1.2m (5%) and securing good returns from our investments: the combined value of investments at the end of December stood above £10m. Throughout the year our cash flow was stronger than budgeted.

Our operating surplus was £0.9m which was considerably stronger than budget and the previous year.

During the year, we took the opportunity to assess the fair value of property held on the balance sheet. In line with market conditions for commercial property in a period of global pandemic, the total value of our estate has unsurprisingly fallen, and is now £3.2m lower than at the end of the previous year. However, in accordance with a statement made in April, that we would be re-evaluating the use of our office space to maximise the value from our properties, we were pleased to announce in December that we would be leasing two floors of our London offices. A lease has been granted for up to six years to Ingeus, an organisation with a number of government contracts in the health and employability space, and this will provide ongoing supplemental income to the RPS whilst still ensuring we have ample room to support our new, often remote, ways of working.

Our pharmacy and membership team and our education team continued to focus on supporting our members at the forefront of the fight against the pandemic. Continuing the work started early in 2020, they maintained a clear focus on what members needed to practise safely, with access to the most up-to-date guidelines on the pandemic, based on the best scientific evidence available at the time.

In England, the delivery of training in support of the NHS Community Pharmacy Consultation Service (CPCS) continued at pace with over 5,000 trainees now having been supported to deliver the service. The Welsh Government has laid strong foundations for enhancing the role of pharmacist independent prescribers. Combined with the RPS Competency Framework for all Prescribers, this unique partnership approach in Wales will provide a guidance tool for pharmacist prescribers wishing to expand their scope of practice wherever they work in Great Britain. In Scotland the team has focused on engaging with members on policy development. It held over 100 focus groups and meetings to develop the Pharmacy 2030 vision and other key policies in 2021 including pharmacy's role in reducing harm from drugs and a joint statement with the BMA on the pharmacotherapy service.

Our program of webinars and member engagement events, while remaining online as opposed to face-to-face because of the pandemic, had even greater reach with approximately one fifth of all members attending one or more webinars. This service has been a clear demonstration of how RPS, working with Royal Colleges, can provide valuable educational content to healthcare practitioners and meet the requirements of educational commissioners.

In November, we declared a Climate and Ecological Emergency in recognition of the severe challenge the planet is under from the excessive use of fossil fuels and slow pace of movement to renewable energy sources. This prompted us to review our investment strategy with a commitment to apply ESG principles to our investments and procurement policies and which includes investing in portfolios that commit to responsible investing. We are committed to maintaining a zero-to-landfill organisational status and to embedding sustainability within our working practices. As a professional leadership body we have been working to ensure the profession's role and expertise is fully recognised within national strategies and plans. A series of four key sustainability policies was launched and we will be continuing to work with members, organisations and the NHS to see these implemented.

Our knowledge business, Pharmaceutical Press, has performed exceptionally well during the year with total revenues exceeding an ambitious budget by 7% and all parts of the operations performing in line with, or above, expectation. Our core publishing business returned a surplus of more than £2.4m which enables us to invest in the development of products and services for our members, as well as securing future growth opportunities for RPS, ultimately to the benefit of all members and the profession. During the year, working alongside our joint venture partners, we negotiated a new long-term contract with NICE for the publication and supply of BNF and BNF for Children, which will ensure continuity of a highly valued, world-class medicines reference source used by clinicians daily.

The Pharmaceutical Journal went entirely digital during the year and a new, multichannel experience for users launched. This has delivered the expected financial savings as well as supporting our commitment to reducing the RPS carbon footprint by significantly reducing the number of trees lost through print production and distribution. Because of strong digital advertising and editorial content performance, revenues associated with the PJ were also ahead of budget. With more exciting developments planned for the PJ, such as new great 'PJ Pod' podcasts alongside strong investigative journalism and features on news and opinions, the PJ is set to grow even further in stature during 2022 as a journal of which members can be rightly proud.

In other future-facing work, we began developing a new customer relationship management (CRM) system for our membership operations, which we expect to see launched in 2022. This will also facilitate the creation of a new membership network, RPS Connect, which is a brand new digital service for members.

Our focus on the importance of workforce wellbeing, and inclusion and diversity has continued throughout the year. A highlight of this was the creation of the RPS Inclusion and Wellbeing Pledge. We encouraged individuals and organisations to sign the pledge and put actions into practice. Inclusive Professional Practice, in England, was another focus of RPS work to ensure promotion of the profession and providing support for members and registrants in addressing inequalities in access to pharmaceutical services and outcomes. Whilst this type of activity does not drive direct financial benefit to RPS, it is an important part of the work we do, supports our objectives and our Royal Charter and is yet another reason why this organisation has flourished for the 180 years we have been in existence.

We are again very proud of everything the RPS has done during its 180th year to support members and advance the profession and hope you have found this letter helpful when reviewing the Financial Statements in more detail.



**CLAIRE ANDERSON, FRPHARMS,
FFRPS, FFIP, FRSPH**
PRESIDENT



PAUL BENNETT, FRPHARMS
CEO

Report of the Assembly

The Assembly presents its report and the audited financial statements of the Royal Pharmaceutical Society of Great Britain, trading as the Royal Pharmaceutical Society ("the RPS") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Royal Pharmaceutical Society is the professional membership body for pharmacists and pharmacy in Great Britain. We advance the profession of pharmacy for public and patient benefit to secure the future of the profession and our members.

We lead and promote the advancement of science, practice and education in pharmacy to shape and influence the future delivery of pharmacy-driven services.

We support and empower our members to improve health outcomes for society through professional guidance, networks and resources.

We do this by providing:

Leadership

We ensure the voice of the whole profession is heard at the highest levels of healthcare and government through our responses to consultations, influencing policy development and through our expert advisory panels.

Professional recognition

We provide our members with professional recognition through post nominals. We are developing curricula and credentials for pharmacists enabling recognition for their level of practice by employers, commissioners, patients and the public. Our expert members regularly appear in the media to ensure the public has the best information when medicines are in the news.

Networking

RPS local groups have been formed to enable professional conversations which will be further enhanced by our online community RPS Connect.

Support and development

We produce professional guidance and support tools to develop and supplement our members' skills and knowledge. We work in collaboration with royal colleges to develop guidance that supports effective patient care.

Medicines Information

We provide healthcare professionals, students and scientists with the most trusted and usable data, information and therapeutic guidance on drugs and medicines.

LEGAL STATUS

The RPS is governed by a framework comprising its Royal Charter and Regulations. The RPS was founded in 1841 and incorporated by Royal Charter in 1843. The RPS's current Charter was granted in 2004 and was amended on 27th September 2010 to remove the RPS's regulatory powers, which transferred to the General Pharmaceutical Council ("GPhC") at that date.

GOVERNANCE

The Assembly agrees the overall strategy and top-level objectives, with Pharmacy policy making at national level being the delegated responsibility of the National Boards. The National Boards in turn set Pharmacy policy and objectives within the overall strategy and ask the relevant National Director to implement them.

The Assembly also delegates responsibility for the strategic direction of the Pharmaceutical Press to the Pharmaceutical Press Board.

The Assembly elects every two years the President and Treasurer, which constitute the Officers.

CHAIRS AND OFFICERS GROUP

The Assembly authorises a group comprising the Officers and Board Chairs:

- to appoint the Chair and members of the Finance and Investment and Audit and Risk Committees;
- to deal with issues arising which require an urgent response that do not fall within the delegated authorities of other governance bodies. Where this concerns new policy, actions would be subsequently ratified by the Assembly as appropriate;
- to deal with matters delegated by the Assembly;

and to communicate immediately to the members of the Assembly any actions/decisions agreed, unless precluded from doing so by confidentiality.

FINANCE AND INVESTMENT COMMITTEE

The Committee was formed in 2018 and comprises of four members of the Assembly and/or National Boards and the Treasurer.

The Finance and Investment Committee is established to:

- review the proposed Budget and its alignment with approved business plans in advance of each financial year and report its opinion to the Assembly prior to the budget being signed off;
- monitor the integrity of the financial statements, including reports on financial performance, reviewing significant reporting issues and judgements which they contain, assess and make recommendations to the Assembly on any significant variances against approved budgets;
- recommend to the Assembly approval of the annual financial statements;
- assess the adequacy of internal and external financial reports and that reports are accurate and timely, assess the effectiveness and adequacy of accounting, financial and operating controls and satisfy itself that the annual financial statements represent fairly the financial position of the RPS;
- review significant accounting policies and procedures and recommend changes to the Assembly review and monitor the appropriateness of the RPS's financial reserves policy;
- monitor the effectiveness of the arrangements in place to secure economy, efficiency and effectiveness, and value for money;
- to oversee short and long-term investments; review the Investment strategy and make recommendations to the Assembly for change where deemed appropriate, review the current Statement of Investment Principles and recommend changes as required for consideration by the Assembly;
- review the implementation of approved capital projects to determine if the agreed objectives are being achieved and review post-implementation reports;

- monitor the Society's investment portfolio;
- to ensure that the portfolio is performing to expectations;
- to assess if the policy between asset classes and asset managers is deemed appropriate;
- to monitor the exercise of the investment powers that have been delegated to the fund managers;
- to appoint (and when necessary dismiss) the investment managers and investment consultants;
- to review the appropriate amount of funds to deposit with the Fund manager periodically balanced against the competing needs for investment in the RPS and cash flow forecasts; and
- to review the investment in property assets and the balance between this and other investment options.

The Finance and Investment Committee met three times in 2021 and the following issues were considered:

- Financial performance. Regular reviews of the RPS's financial performance for 2021. Members noted the post-audit report for the 2020 audited accounts and agreed that it be presented to Assembly in March 2021.
- Three Year business plan and investment strategy. Review of the financial plans on behalf of the Assembly, where ultimate fiduciary duty lies. The annual review of the investments fund's overall objectives and performance was also undertaken.

AUDIT AND RISK COMMITTEE

The Committee comprises of two appropriately skilled members of the Assembly who are not Officers of the RPS or Board Chairs, one lay member of the Assembly, one external, appropriately skilled, lay Chair and one additional external member who has finance and audit expertise.

The Audit and Risk Committee is established to:

- advise on the appointment of external financial auditors;
- set the remit for the audit;
- review, with the auditors, the outcome of the audit and satisfy itself that the management response to any issues raised is appropriate;

- instigate internal audits of any processes it deems appropriate and satisfy itself that the management response to any issues raised is appropriate;
- monitor the integrity of internal controls, including review of internal audit and other management reports on the effectiveness of the systems of internal control;
- keep under review the Risk Register and advise the Assembly accordingly;
- ensure the RPS's procedures for ensuring legal compliance in all areas are implemented and enforced;
- ensure appropriate arrangements for staff to raise concerns about possible improprieties;
- review anti-fraud and whistleblowing policies;
- assess the scope and effectiveness of the systems designed to identify, assess, manage and monitor significant risks.

The Audit and Risk Committee met three times during 2021 and the following issues were considered:

- Risk Management and Business Continuity. As the RPS evolves as a business, so do the risks it faces. The committee continued to ensure that the Executive Team and Assembly maintained awareness of the key risks facing the RPS and that suitable action plans were in place to deal with them.
- External Audit. Members noted the post-audit report for the 2020 audited accounts.
- Internal Audit. With the Committee's input, the programme of internal audit work continues and it was designed to test a range of financial and non-financial systems and processes, thus providing assurances that they are robust, and where weaknesses are uncovered, the necessary changes are made.
- Cyber-crime and IT Security. The Committee continues to monitor the threat of cyber-crime as the organisation continues to evolve in an increasingly digital data-driven world. Mitigating cyber risks and preventing attacks by way of a cyber risk management strategy helps identify the risks and put the correct defences in place.
- Data Protection. The Committee continues to ensure that privacy is embedded into any new

processing or product that is deployed and has clear policies to ensure the RPS reacts quickly to any data breach.

RISK MANAGEMENT

The RPS policy on risk management continues to be reviewed to ensure that it meets the requirements in terms of identifying risk across the organisation and that the control and assurance measures in place are appropriate and proportionate to deal with these risks. The consideration of risk is included in the planning process and is reviewed monthly by the Executive and at the Audit and Risk Committee and the Assembly meetings.

In the area of business continuity, the plans are subject to continual review. It will be necessary to test the current plans and to engage on an exercise to communicate the plans to managers and other staff.

The IT architecture has also been significantly improved with automatic failover in the event of a problem with an internet connection and increased capacity to improve resilience at all locations. The security of the RPS museum and library assets, hardware and staff are covered by an extensive range of security devices at the London headquarters.

Some of the areas which pose a higher risk to the RPS business plan are as follows:

- member retention and recruitment;
- competition from other bodies within the pharmacy sector;
- cyber-crime and IT security;
- security of assets and information; and
- potential increase in pension costs.

The RPS has a robust governance process to ensure that investments being made in 2022 achieve the objectives set.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the President, the Treasurer, the Chairs of the three National Boards and one lay member. The Committee agreed that a 2% basic salary increase will be budgeted for 2022. A salary increase will apply to all staff.

THE EXECUTIVE TEAM

Consisting of the Chief Executive and Directors, the Team has delegated responsibility for the day-to-day management of the RPS. The Executive Team in turn provides the Assembly, boards and committees with sufficient information on a timely basis in regard to the performance, financial condition, operating results and prospects of the RPS to enable the organisation to fulfil its governance responsibilities.

Each year, there are three formal meetings of the Assembly as well as one strategy day. Further meetings of the Assembly can be called if necessary.

PENSION SCHEME

The latest information on the pension scheme is given below:

There was a triennial Actuarial Valuation, (as at 31st December 2018), undertaken on behalf of the Trustees in 2019. The Assembly and Trustees at that time agreed that the annual contribution would increase to £700,000 from 2021 to mid-2025. A new triennial Actuarial Valuation, (as at 31st December 2021) is now due and we await the outcome of this work.

The Trustees, in consultation with the RPS, decided to maintain the mid to long-term strategy to de-risk the scheme's assets and more closely match its liabilities. Both the Trustees and the RPS recognise the problems financial market volatility can cause in pension funding and planning.

The strategy implemented during 2011 to move from equities to bonds when key trigger points in relative bond/equity positions are reached, was continued. This was continuously reviewed at Trustees meetings based on sound advice from actuarial and financial advisors and amended if decided appropriate and in the best interests of the Scheme.

The Trustees undertook a 'buy-in' in respect of the current pensioners to remove the risk of increased costs arising from extended life projections. The 'buy-in' represents an insurance policy that would pay an annuity to the fund and does not favour any particular group of pensioners. It was not economic to do the same for deferred pensioners as the insurance pricing for the uncertainty of this group was cost prohibitive.

More information regarding the Pension Scheme can be found in note 19 to the Financial Statements. This information includes disclosures required by FRS102.

FINANCIAL RESULTS

The operating surplus for 2021 is £1,297,000. The comparative result for 2020 was a surplus of £869,000. To aid interpretation of this set of accounts, this surplus is stated prior to any movements arising from revaluations to property or the defined benefit pension scheme.

Total revenues increased by £1,648,000 from £23,646,000 to £25,294,000 in the year. Publishing revenues grew by 3% to £18,525,000 with all major revenue lines increasing year-on-year. Membership numbers have declined slightly over the year, and we have 38,630 members at the end of 2021 compared with 40,194 at the end of 2020. We have seen growth in Member, Student, Fellow and Pharmaceutical Scientist membership, however, Associate membership remains a challenge. Membership revenues grew to £4,697,000 (2020: £4,623,000) owing to improved upgrades from Foundation Trainee (Associate) to Member. These positive revenues, coupled with good cost control across the organisation, maintained throughout the year, have allowed us to continue investing in membership and publishing products and services. A more detailed analysis of income and expenditure is included in note 2 to the Financial Statements to enhance transparency and help with the interpretation of the financial information.

The Ruffer investment has increased by 8% (2020: 14.3%) to £8,547,000 in 2021 (2020: £7,921,000). This long-standing investment already fully integrates the principles of ESG, with equity exclusions on companies in the following sub-sector classifications: Integrated Oil & Gas, Oil: Crude Producers, Offshore Drilling and Other Services, Oil Refining and Marketing, Oil Equipment and Services, Pipelines and Coal. There are also exclusions on tobacco. A further £2,000,000 was invested with Legal & General in November of 2021, further diversifying the RPS's investment portfolio.

After incorporating movements on provisions, gains on investments, interest and the tax liability for the year, the final result is a surplus of £2,008,000. The comparative result for 2020 was a surplus of £1,638,000.

2021 includes the following year-end book revaluations that significantly impact the result, that are distinct from the day-to-day operating performance. RPS Property, owned in England, Scotland and Wales, was revalued on a fair value basis and was subsequently revised down by £3,270,000 to £17,444,000, which reflects commercial and residential property market trends across the UK. Additionally, the defined benefit pension scheme, under FRS102 as at 31st December 2021 indicated an actuarial surplus of £3,854,000 (2020: £2,142,000 deficit). This improvement is attributed to the change in the discount rate assumption, driven by the adjustment in corporate bond yields over the past year. Under these regulations an entity can only recognise a plan surplus as a defined benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Consequently, the defined benefit plan asset has been capped at £nil on the balance sheet.

It is important to note that the RPS actuarial valuation is prepared in accordance with FRS102. These standards require the use of different assumptions to those used by the actuary acting on behalf of the Trustee for the RPSGB Pension Scheme. As a consequence, these valuations can produce very different outcomes.

Total funds have increased in the year to £31,108,000 (2020: £30,738,000).

In conclusion, the RPS remains strong financially, despite challenging economic and political conditions in the UK and globally.

STATEMENT OF THE ASSEMBLY'S RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Assembly is responsible for preparing the Report of the Assembly and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

By Royal Charter, the Assembly is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the RPS and of the income and application of resources, including the income and expenditure, of the RPS for that period.

In preparing these financial statements, the Assembly is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RPS will continue in operation.

The Assembly is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RPS. They are also responsible for safeguarding the assets of the RPS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Assembly members confirms that:

- so far as the member is aware, there is no relevant audit information of which the RPS's auditor is unaware; and
- The member has taken all the steps that he/she ought to have taken as a member in order to make himself/herself aware of any relevant audit information and to establish that the RPS's auditor is aware of that information.

The Assembly members are responsible for the maintenance and integrity of financial information included on the RPS website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The auditors, Buzzacott LLP, will be proposed for re-appointment.

By order of the Assembly



Andre Yeung
Treasurer



Paul Bennett
Chief Executive

17th March 2022

Independent auditor's report to the Assembly of the Royal Pharmaceutical Society of Great Britain

OPINION

We have audited the financial statements of the Royal Pharmaceutical Society ("the RPS") for the year ended 31 December 2021 which comprise the statement of income and retained earnings including the statement of other comprehensive income, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the RPS's affairs as at 31 December 2021 and of its surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the RPS in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Assembly's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the RPS's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Assembly with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The members of the RPS are responsible for the other information. The other information comprises the information included in the report of the Assembly and the letter from the President and Chief Executive other than that within the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the RPS and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE ASSEMBLY

As explained more fully in the statement of the Assembly's responsibilities, RPS's members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the RPS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the RPS or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the RPS and the sector in which it operates. We determined that the following laws and regulations were most significant: the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), anti-bribery regulations, employment law, health and safety legislation and data protection regulations.
- We understood how the RPS is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Assembly minutes and papers provided to the Audit and Risk Committee.

- We assessed the susceptibility of the RPS's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

This report is made solely to the members of the Assembly, as a body, in accordance with the Regulations of the RPS. Our audit work has been undertaken so that we might state to the RPS's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the RPS and the RPS's members as a body, for our audit work, for this report, or for the opinions we have formed.



BUZZACOTT LLP
 STATUTORY AUDITOR
 130 Wood Street
 London
 EC2V 6DL

Statement of income and retained earnings

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000s	2021 £000s	2021 £000s	2021 £000s	2021 £000s	2020 £000s
		GENERAL RESERVE	PENSIONS RESERVE	INVESTMENT RESERVE	PROPERTY RESERVE	TOTAL	TOTAL
Income	2	24,683	474	137	–	25,294	23,646
Expenditure	2	(23,920)	–	(77)	–	(23,997)	(22,777)
Operating surplus		763	474	60	–	1,297	869
Decrease/(increase) in provisions	14	103	–	–	–	103	(103)
Net investment gains		–	–	608	–	608	872
Surplus on ordinary activities before taxation	4	866	474	668	–	2,008	1,638
Taxation	5	–	–	–	–	–	–
Surplus on ordinary activities after taxation		866	474	668	–	2,008	1,638
Transfers between funds		(2,304)	–	2,304	–	–	–
Other comprehensive income							
Property revaluation (loss)		–	–	(441)	(2,829)	(3,270)	–
Pension scheme actuarial gain/(loss)	19	–	2,009	–	–	2,009	(783)
Deferred tax	18	–	149	(350)	(176)	(377)	98
Retained (deficit)/surplus for the year		(1,438)	2,632	2,181	(3,005)	370	953
Reconciliation of funds							
Total funds brought forward		18,869	(2,142)	9,322	4,689	30,738	29,785
Accumulated funds as at 31 December 2021		17,431	490	11,503	1,684	31,108	30,738

Balance sheet

AS AT 31 DECEMBER 2021

	Note	2021 £000s	2021 £000s	2020 £000s	2020 £000s
Fixed Assets					
Heritage Assets	6		3,500		3,500
Intangible assets	7		939		1,777
Tangible assets	8		17,649		21,118
Investments	9		11,502		9,322
			33,590		35,717
Current assets					
Stock	10	39		99	
Debtors	11	4,494		4,729	
Cash in hand and at bank		3,886		2,630	
		8,419		7,458	
Creditors: amounts falling due within one year	12	(3,033)		(2,848)	
			5,386		4,610
Net current assets					
Total assets less current liabilities			38,976		40,327
Creditors: amounts falling due after one year			(50)		(50)
Deferred income			(7,649)		(7,161)
Provisions	14		-		(103)
Pension scheme asset (liability)	19		-		(2,483)
Deferred tax (liability) asset	18		(169)		208
			31,108		30,738
Funds employed					
Accumulated fund			17,431		18,869
Property revaluation reserve		1,684		4,689	
Investment reserve:					
Historical cost	17	7,686		7,630	
Revaluation reserve		3,817		1,693	
			13,187		14,012
Total funds before pension asset			30,618		32,880
Pension scheme reserve			490		(2,142)
Total funds including surplus/deficit on pension scheme reserve			31,108		30,738

The financial statements were approved by the Assembly on 17th March 2022 and were signed on its behalf by Claire Anderson and Andre Yeung:



Andre Yeung
Treasurer



**Claire Anderson, FRPharmS,
FFRPS, FFIP, FRSPH**
President

Statement of cash flows

YEAR TO 31 DECEMBER 2021

	Note	2021 £000s	2020 £000s
Cash flows from operating activities			
Net cash provided by operating activities	A	3,275	3,255
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(10)	-
Payments to acquire intangible fixed assets		(133)	(371)
Payments to acquire investments		(7,544)	(5,626)
Receipts from disposal of investments		6,106	3,979
Investment income received		142	75
Net cash (used in) investment activities		(1,439)	(1,943)
Change in cash and cash equivalents in the year		1,836	1,312
Cash and cash equivalents at 1 January 2021	B	2,847	1,535
Cash and cash equivalents at 31 December 2021	B	4,683	2,847

Notes to the cash flow statement

YEAR TO 31 DECEMBER 2021

	Note	2021 £000s	2020 £000s
A. Reconciliation of net movement in funds to net cash provided by operating activities			
Net income (expenditure) before transfers		2,008	1,638
Pension adjustment		(474)	(247)
Amortisation charge		598	474
Depreciation charge		599	665
Impairment charge		373	-
Net investment gains		(608)	(872)
Loss on disposal of tangible fixed assets		51	31
Investment income		(137)	(75)
Decrease/(increase) in stocks		60	(37)
Decrease in debtors		235	1,281
Increase in creditors		570	397
Net cash provided by in operating activities		3,275	3,255
B. Analysis of changes cash and cash equivalents			
		At 31 December 2021	At 31 December 2020
Cash at bank and in hand		3,886	2,630
Cash held by investment managers		797	217
Total		4,683	2,847

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below. The policies have been applied consistently throughout the year.

A ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounts are presented in sterling and are rounded to the nearest thousand pounds.

B GOING CONCERN AND AREAS OF CRITICAL JUDGEMENT

The Assembly members have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Assembly has made this assessment in respect to a period of one year from the date of approval of these accounts.

The Assembly members have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the RPS to continue as a going concern. The Assembly have considered the impact of the ongoing coronavirus pandemic but at the current time it is believed that the ongoing risks can be managed. The Assembly are of the opinion that the RPS will have sufficient resources to meet its liabilities as they fall due.

Preparation of the accounts requires the Assembly to make critical judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

Licensing income. An element of the reportable licensing income is a combination of deferred and accrued income, as determined by the contractual terms of each agreement.

Property valuations. The properties were formally valued with professional assistance as at 31 December 2021 by a registered valuer at Pelham Lease Advisory in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards.

C CAPITALISATION POLICY

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

D HERITAGE ASSETS

The RPS's heritage assets comprise collections of books, drug jars, silver plates and general artefacts. Any additions to the collection are now received by way of donations. See note 8 for further information.

Heritage assets have been recognised in the balance sheet separately from other assets at a valuation that reflects the value of the asset at the time it was acquired by the charity. The assets have been valued by St George Valuations, taking into account full market value. The work was begun in 2015 and was completed in early 2016. This was treated as deemed cost.

The RPS carries out an annual impairment review to assess whether a heritage asset is impaired and, if so, to recognise and measure the impairment loss.

E TANGIBLE FIXED ASSETS

Depreciation is calculated in order to write off the cost of tangible fixed assets, less their estimated residual values, in equal annual instalments over the expected useful economic lives of the assets.

The principal annual rates in use are:

	Annual rates
Freehold property	2%
Short leasehold	Over life of the lease
Plant and machinery	5%-20%
Office equipment	10% - 33%

No depreciation is provided on freehold land and no depreciation is provided on assets in the course of construction.

The RPS has adopted a policy of revaluation for its freehold properties. This asset class was revalued as at 31 December 2021 to fair value at the date of revaluation. In subsequent years, freehold properties will be held at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

F INTANGIBLE FIXED ASSETS

Intangible assets are initially recognised at the cost to the RPS of acquiring these assets. Amortisation of intangible fixed assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives.

Intangible assets which are technological in nature are assumed to have useful lives of five years and are amortised accordingly at an annual rate of 20%.

Intellectual Property assets, categorised under intangible fixed assets, are deemed to have a longer estimated useful life, and are amortised at an annual rate of 10%.

An annual impairment review is carried out for each asset after it has been brought into use to re-assess its remaining useful life and that it still meets the definition of an intangible asset. Provision is made for assets where the net present value of future benefits is less than the carrying value.

G INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The portion of listed investments to be sold for a cash drawdown to fund the RPS's operations in a period less than one year is shown under current assets. Cash held by investment managers is also shown within current assets. The remainder of the listed investments are considered fixed asset investments.

The main form of financial risk faced by the RPS is that of volatility in equity and other investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at open market value. Investment properties are revalued periodically when the market value of the investment property is known to be materially different to the carrying value of that property.

H STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value and after making due allowance for obsolete and slow-moving items. Materials and associated pre-press costs make up the unit cost of printed goods. In line with industry practice, the RPS is writing off publication editorial costs as incurred.

I INCOME

Income from professional activities and publishing is stated net of Value Added Tax, where appropriate, and represents the invoiced value of goods and services supplied.

Membership fees and other subscriptions are recognised in the statement of income and retained earnings in the year to which they relate on a pro rata basis, with the excess of receipts over income recognised carried forward in the balance sheet as deferred income.

Interest on loans and deposits is accrued as earned.

J REVENUE GRANTS

Revenue grants receivable are matched against the expenditure of the specific projects in respect of which they are granted. Where projects span more than one accounting period, any excess of grants received over expenditure incurred to date is carried forward in the RPS's Balance Sheet as a current liability.

K FOREIGN EXCHANGE

Assets and liabilities denominated in foreign currencies are translated into sterling using HMRC rates as at the balance sheet date. Foreign exchange differences are taken to the statement of income and retained earnings in the year in which they arise.

Forward currency contracts are a form of complex financial instrument. They are recognised at their fair value at the balance sheet date. Gains or losses arising during the year on such contracts are credited or debited to the statement of income and retained earnings.

L PENSION COSTS

The RPS operates a defined contribution arrangement for all eligible employees to which the RPS contributes varying percentages of salary depending upon the age of the employee. Contributions to the scheme are accounted for on an accruals basis.

As the Defined Benefit pension scheme accrual ceased from April 2012, there is no current service cost. The pension scheme assets are measured using fair values at each balance sheet date. The scheme's liabilities are measured using the projected unit actuarial method. Actuarial gains and losses, in respect of the RPS's Defined Benefit scheme are recognised in other comprehensive income for the period. Other movements are allocated to the statement of income and retained earnings.

M DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

N CASH AT BANK AND IN HAND

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

O CREDITORS AND PROVISIONS

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the RPS anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

P FUND STRUCTURE

The investment reserve comprises two elements: the cost of the RPS's investments and the total return earned on those investments. Total return comprises two elements: a capital return and an income return.

Q OPERATING LEASE RENTALS

Operating lease rentals are charged to the statement of income and retained earnings over the lease term on a straight-line basis.

R DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the RPS's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

2 Income and expenditure

FOR THE YEAR ENDED 31 DECEMBER 2021

From professional body activities	Income		Expenditure	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Professional Member fees	4,697	4,623		
Assembly	-	-	49	55
Chief Executive	-	-	1,030	1,046
Pharmacy and Member Experience	170	236	3,258	3,287
Education	1,153	382	1,607	1,005
Technology	-	-	2,561	2,228
Operations	138	25	3,656	3,215
Cost transfer to Pharmaceutical Press	-	-	(4,129)	(4,001)
Total from professional body activities	6,158	5,266	8,032	6,835
Pharmaceutical Press	18,525	18,058	11,759	11,901
Costs transfer to Pharmaceutical Press			4,129	4,001
Total Pharmaceutical Press	18,525	18,058	15,888	15,902
Total for the year	24,683	23,324	23,920	22,737

3 Information regarding employees

FOR THE YEAR ENDED 31 DECEMBER 2021

Employee costs represent	2021 £000s	2020 £000s
Wages and salaries	9,753	9,578
Social security costs	1,046	1,034
Pension costs	1,268	1,148
	12,067	11,760

The number of persons employed by the RPS at the end of the year was:	2021 No.	2020 No.
Chief Executive's Office	10	10
Education	11	13
Pharmaceutical Press	95	98
Pharmacy and Member Experience	48	50
Operations	13	20
Technology	17	21
	194	212

Monthly average of employees in post during the year	2021 No.	2020 No.
	209	217

Chief Executive and Directors' remuneration	2021 £000s	2020 £000s
Basic salaries	1,455	1,404
Benefits	5	9
Pension contributions	95	94
	1,555	1,507

Chief Executive and Directors' remuneration, excluding employer pension and national insurance contributions, fell within the following ranges	2021 No.	2020 No.
£1-£70,000	2	1
£70,001-£80,000	2	2
£80,001-£90,000	1	1
£90,001-£100,000	3	4
£100,001-£110,000	2	-
£110,001-£120,000	2	3
£120,001-£130,000	1	1
£130,001-£140,000	1	1
£140,001-£150,000	1	1
	15	14

4 Surplus on ordinary activities before

This is stated after charging:	2021 £000s	2020 £000s
Operating lease rentals	42	42
Depreciation of fixed assets	1,197	1,138
Auditor's remuneration:		
Buzzacott LLP: audit services:		
Current Year	29	29
Buzzacott LLP: other services	17	7

5 Taxation

	2021 £000s	2020 £000s
Profit for the period	2,008	1,638
Expected tax charge at 19% (2020: 19%)	381	312
Effects of:		
Disallowable expenditure	305	107
Unrecognised deferred tax	(220)	(92)
Adjustment to opening deferred tax rate	(400)	(13)
Non-taxable income	(66)	(213)
Movement on pension scheme (see note 19)	471	(216)
Revaluation gains	180	408
Utilisation of brought forward tax losses	(651)	(293)
Actual tax charge	-	-

6 Heritage assets

The Museum of the RPS, established in 1842, has collections covering all aspects of British pharmacy history including:

- traditional dispensing equipment
- drug storage containers
- fine "Lambeth delftware" dating from the 1600s and 1700s
- proprietary (brand name) medicines dating from the 1700s to present
- bronze and bell metal mortars
- medical caricatures
- a photo archive.

Preservation and management

The museum's curators are responsible for maintaining the museum's register of objects. There are around 45,000 objects within the collection, of which only a sample is on display at any one time. Objects in the stored collections are available to be viewed by appointment.

The RPS elected to value these heritage assets in the year to 31 December 2015 and this is treated as deemed cost.

7 Intangible fixed assets

	INTELLECTUAL PROPERTY £000s	PRODUCT DEVELOPMENT £000s	TOTAL £000
Cost			
As at 1 January 2021	240	3,186	3,426
Additions	-	134	134
Impairment	-	(1,690)	(1,690)
As at 31 December 2021	240	1,630	1,870
Depreciation			
As at 1 January 2021	73	1,577	1,650
Charge for the year	24	574	598
Impairment	-	(1,317)	(1,317)
As at 31 December 2021	97	834	931
Net Book Value			
As at 31 December 2021	143	796	939
As at 31 December 2020	167	1,610	1,777

8 Tangible fixed assets

	FREEHOLD PROPERTY £000s	PLANT & MACHINERY £000s	OFFICE EQUIPMENT £000s	TOTAL £000
Cost				
As at 1 January 2021	20,221	2,082	1,406	23,709
Additions	7	-	3	10
Revaluation	(4,094)	-	-	(4,094)
Disposals	-	-	(424)	(424)
As at 31 December 2021	16,134	2,082	985	19,201
Cost				
Cost	-	2,082	985	3,067
Valuation - 2021	16,134	-	-	16,134
	16,134	2,082	985	19,201
Depreciation				
As at 1 January 2021	919	635	1,037	2,591
Charge for the year	346	112	140	598
Disposals	-	-	(372)	(372)
Revaluation	(1,265)	-	-	(1,265)
As at 31 December 2021	-	747	805	1,552
Net Book Value				
As at 31 December 2021	16,134	1,335	180	17,649
As at 31 December 2020	19,303	1,446	369	21,118

The RPS's freehold properties were revalued as at 31 December 2021, by a registered valuer at Pelham Lease Advisory in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards. Market value was used as

the basis for fair value. At acquisition, components of the properties were allocated to freehold property and plant for the purposes of calculating depreciation. At revaluation, the loss was attributed to land and freehold property.

9 Investments

	INVESTMENT PROPERTY £000s	LISTED INVESTMENTS £000s	TOTAL 2021 £000s	TOTAL 2020 £000
As at January 2021	1,401	7,704	9,105	6,586
Additions	-	7,543	7,543	5,626
Revaluation	(441)	-	(441)	-
Disposal at book value (proceeds: £6,106,000 realised gains: £581,000)	-	(5,525)	(5,525)	(3,563)
Unrealised gains	-	23	23	456
As at 31 December 2021	960	9,745	10,705	9,105
Cash held for reinvestment	-	797	797	217
Total investments as at 31 December 2021	960	10,542	11,502	9,321
Historical cost of investments as at 31 December 2020	427	7,259	7,686	7,669

10 Stocks and work in progress

	2021 £000s	2020 £000s
Work in progress	5	6
Finished goods and goods for resale	34	93
	39	99

11 Debtors

	2021 £000s	2020 £000s
Trade debtors	2,659	2,342
Other debtors	30	359
Prepayments and accrued income	1,594	2,028
VAT debtor	211	-
	4,494	4,729

12 Creditors

Amounts falling due within one year	2021 £000s	2020 £000s
Trade creditors	1,311	1,099
Other taxes and social security	300	272
Other creditors	513	650
Accruals	909	650
VAT creditor	-	177
	3,033	2,848

13 Deferred income

Income has been deferred as a result of the RPS receiving amounts in advance of the period that they relate to for activities that have been analysed below:

Deferred income	2021 £000s	2020 £000s
Subscription income	4,157	3,785
Licensing income	1,507	1,951
Membership income	570	543
Other income	1,415	882
	7,649	7,161

14 Provisions

	2021 £000s	2020 £000s
As at January 2021	103	-
Additions	-	103
Released	(103)	-
As at 31 December 2021	-	103

15 Financial commitments

The total future minimum lease payments over these periods are as follows:

Operating leases due	2021 £000s	2020 £000s
Within one year	40	28
	40	28

16 Investment Reserve

The make-up of the investment reserve as at 31 December 2021 is	2021 £000s
Investment reserve as at 1 January 2021	9,322
Deferred tax	(350)
Property revaluation	(441)
Net investment gains	608
Surplus of investment income over management expenses	60
Transfers from general reserve	2,304
	11,503

Unapplied total return available within the investment reserve	INCOME RETURN	CAPITAL RETURN	TOTAL
	£000s	£000s	£000
As at 1 January 2021	220	2,544	2,764
Returns in the period	60	608	668
As at 31 December 2021	280	3,152	3,432

17 Property revaluation reserve

The make-up of the property investment reserve as at 31 December 2021 is	2021 £000s	2020 £000s
As at 1 January 2021	4,689	4,713
Property revaluation (loss) / gain	(2,829)	-
Deferred tax	(176)	(24)
As at 31 December 2021	1,684	4,689

18 Deferred Tax Asset / (Liability)

	2021 £000s	2020 £000s	2019 £000s
Opening deferred tax asset	208	110	283
Pension scheme liability	149	140	(241)
Investment movements	(350)	(24)	47
Property revaluation	(176)	(18)	21
Actual tax charge	-	-	-
Total net deferred tax (liability) asset	(169)	208	110

19 Pensions

Payments into the defined contribution/Group Stakeholder Pension Plan scheme of £568,000 (2020: £547,000) were due in the year, of which £94,000 (2020: £92,000) were outstanding at year end.

The RPS Staff Pension Scheme is a Defined Benefit scheme closed to new entrants. The assets of the scheme are held separately, under the control of its Trustees, and the RPS does not have access to these funds. An actuarial assessment was carried out as at 31 December 2021, the results of which will be published by the Trustees within 15 months of completion.

In April 2012, the RPS closed the scheme to future accrual, but continues to look at ways to reduce its exposure to the Scheme and limit the cost of maintaining the Scheme in the future. In accordance with the requirements of section 28 of FRS102, the Scheme actuary has carried out a valuation of the Scheme using the assumptions specified by the reporting standard. The assumptions used in calculating the expected return on assets and the Scheme's liabilities are detailed in the following disclosures.

The RPS valuation in accordance with FRS102 as at 31 December 2021 reveals a Scheme surplus of £3,513,000. This is a £5,996,000 improvement on the deficit of £2,483,000 disclosed as at 31 December

2020; these figures are quoted gross of deferred tax. In accordance with FRS102, an entity can only recognise a plan surplus as a defined benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Consequently, the defined benefit plan asset has been capped at £nil on the balance sheet.

As mentioned earlier, these standards require the use of different assumptions to those used by the actuary acting on behalf of the Trustee for the RPSGB Pension Scheme. As a consequence, these valuations can produce very different outcomes.

In addition to the contribution rates required to meet the cost of benefits earned by members in the future, the RPS continues to pay monthly contributions of £58,333. These contributions are designed to eliminate the shortfall revealed by the 31 December 2018 valuation.

A new Trustee triennial actuarial valuation was due on 31 December 2021. The outcome of which is due no later than 15 months after that date. The Employer will continue to monitor funding levels on, at least, an annual basis.

The total contributions for the year ended 31 December 2021 were £700,000.

	2021	2020
	£000	£000
A The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(64,521)	(71,595)
Fair value of plan assets	68,034	69,112
Derecognition of surplus	(3,513)	-
Net surplus/(liability)	-	(2,483)

	2021	2020
	£000	£000
B The amounts recognised in the balance sheet are as follows		
Opening defined benefit obligation	71,595	65,052
Benefits paid	(2,474)	(2,441)
Administration costs	199	299
Interest cost	845	1,216
Actuarial (gain) loss	(5,644)	7,449
Past service costs including curtailments	-	20
Defined benefit obligation at end of year	64,521	71,595

	2021	2020
	£000	£000
C Changes in the fair value of the scheme assets are as follows		
Opening fair value of scheme assets	69,112	63,105
Interest income	818	1,182
Actuarial (loss) gain	(122)	6,666
Employer contributions	700	600
Benefits paid	(2,474)	(2,441)
Fair value of scheme assets at the year end	68,034	69,112

	2021	2020
	£000	£000
D The amounts included within the statement of income and retained earnings are as follows		
Past service costs including curtailments	-	(20)
Administration cost	(199)	(299)
Total amount charged within surplus as operating activities before tax	(199)	(319)

	2021	2020
	£000	£000
E Analysis of pension finance costs		
Interest on scheme assets	818	1,182
Interest on pension liabilities	(845)	(1,216)
Pension finance costs	(27)	(34)

	2021	2020
	£000	£000
F Amount recognised in other comprehensive income		
Actuarial (loss) gain on assets	(122)	6,666
Actuarial gain (loss) on liabilities	5,644	(7,449)
Actuarial gain (loss) recognised in other comprehensive income*	5,522	(783)

G The major categories of scheme assets as a percentage of total scheme	2021	2020
UK equities	8.00%	10.70%
Infrastructure funds	5.50%	-
Short term credit	10.60%	-
LDI	21.50%	22.40%
DGF	14.30%	26.60%
Insurance Contracts	32.50%	35.60%
Cash	7.60%	4.70%
Total	100.00%	100.00%

H Scheme principal assumptions at the balance sheet date (expressed as weighted averages)	2021	2020
Discount rate	1.80%	1.20%
Retail Prices Index (RPI) inflation	3.40%	3.15%
Consumer Prices Index (CPI) inflation	2.60%	2.35%
Future increases to deferred pensions	2.60%	2.35%
Rate of increase of pensions in deferment:		
LPI (max 3%) based on CPI	2.20%	2.05%
LPI (max 5%) based on RPI	3.15%	3.05%
LPI (max 2.5%) based on RPI	2.10%	2.00%

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
I Historical trends					
Defined benefit obligation	64,521	71,595	65,052	68,433	70,143
Scheme assets	(68,034)	(69,112)	(63,105)	(64,239)	(63,878)
Surplus / (deficit)	3,513	(2,483)	(1,947)	(4,194)	(6,265)
Derecognition of surplus	(3,513)	-	-	-	-
Experience adjustments on scheme liabilities	5,644	(7,449)	(2,785)	373	(12,833)
Experience adjustments on scheme assets	(122)	6,666	3,575	1,538	9,156

J Life expectancy	2021	2020
Retiring Now		
Males	26.7	27.0
Females	29.2	29.3
Retiring in 20 years		
Males	28.5	28.8
Females	30.6	30.8

* Capped, see commentary on page 30

20 Related Party Transaction

In 2021, payments for Board and Assembly related activities totalled £86,211 (2020: £87,000). These payments cover fixed allowances and expenses to undertake their roles, which may necessitate travel and accommodation to and from meetings where it is not possible or practical to participate remotely. Some members are released by employers, and certain members with extra responsibilities will be expected to represent RPS externally.

Thanks to their expertise within the pharmaceutical field, Assembly and Board members may also complete small pieces of editorial work or be engaged in the delivery of educational events on behalf of the RPS.

21 Member expenses

Member	Position held	Attendance Fees	Travel	Other	Total
John Marriott	Assembly	-	-	-	-
Mike Hannay	Assembly	-	-	-	-
Lynne Smith	Assembly	3,140	-	-	3,140
Ciara Marie Duffy	English Pharmacy Board	804	-	-	804
Tracey Thornley	English Pharmacy Board	-	-	-	-
Ash Soni	English Pharmacy Board	-	-	-	-
Mahendra Patel	English Pharmacy Board	-	-	-	-
Duncan Petty	English Pharmacy Board	-	-	-	-
Mary Evans	English Pharmacy Board	-	-	-	-
Michael Maguire	English Pharmacy Board	938	-	-	938
Paul Simon Summerfield	English Pharmacy Board	804	-	-	804
Brendon Jiang	English Pharmacy Board	-	-	-	-
Hemant Patel	English Pharmacy Board	-	-	-	-
Erutase Oputu	English Pharmacy Board and Assembly	-	-	-	-
Alisdair Jones***	English Pharmacy Board and Assembly	1,876	-	-	1,876
Martin Astbury**	English Pharmacy Board and Assembly	13,127	-	-	13,127
Sibby Buckle	English Pharmacy Board and Assembly	4,232	-	-	4,232
Sandra Gidley*	English Pharmacy Board and Assembly	9,392	-	4,000	13,392
Claire Anderson***	English Pharmacy Board and Assembly	9,641	300	244	10,184
David Carter	English Pharmacy Board and Assembly	2,120	-	-	2,120
Andre Yeung*	English Pharmacy Board and Assembly	8,525	-	5,000	13,525
Thorrund Govind	English Pharmacy Board and Assembly	6,230	134	126	6,490
Ailsa Power	Scottish Pharmacy Board	250	-	-	250
Brian Addison*	Scottish Pharmacy Board	-	-	2,875	2,875
Lucy Dixon	Scottish Pharmacy Board	-	-	-	-
Lola Dabiri	Scottish Pharmacy Board	954	-	-	954
Tamara Cairney	Scottish Pharmacy Board	-	-	-	-
William Iain Bishop	Scottish Pharmacy Board	813	-	-	813
Audrey Thompson	Scottish Pharmacy Board	-	-	-	-

Member	Position held	Attendance Fees	Travel	Other	Total
Jacqueline Sneddon	Scottish Pharmacy Board	-	-	-	-
Alasdair Macintyre	Scottish Pharmacy Board	-	-	-	-
Anne Boyter	Scottish Pharmacy Board	-	-	-	-
Debbie Stafford	Scottish Pharmacy Board	-	-	-	-
John McAnaw	Scottish Pharmacy Board	-	-	-	-
Catriona Sinclair	Scottish Pharmacy Board	-	-	-	-
Jonathan Burton	Scottish Pharmacy Board and Assembly	1,194	-	23	1,216
Kathleen Cowle	Scottish Pharmacy Board and Assembly	-	-	-	-
Ewan Black	Scottish Pharmacy Board and Assembly	1,313	-	-	1,313
Andrew Carruthers*	Scottish Pharmacy Board and Assembly	1,742	-	1,250	2,992
Sudhir Sehrawat	Welsh Pharmacy Board	768	-	-	768
Robert Davies	Welsh Pharmacy Board	268	-	60	328
Helen Davies	Welsh Pharmacy Board	-	-	-	-
Gareth Hughes	Welsh Pharmacy Board	-	-	-	-
Richard Evans	Welsh Pharmacy Board	1,992	-	79	2,071
Dylan Jones	Welsh Pharmacy Board	768	-	75	843
Elanor Thomas	Welsh Pharmacy Board	536	-	-	536
Eleri Wyn Schiavone	Welsh Pharmacy Board	-	-	95	95
Geraldine Mary McCaffrey	Welsh Pharmacy Board	536	-	-	536
Paul Harris	Welsh Pharmacy Board	-	-	-	-
Jodie Gwenter	Welsh Pharmacy Board	-	-	-	-
Adam Mackridge	Welsh Pharmacy Board	-	-	-	-
Jamie Hayes	Welsh Pharmacy Board and Assembly	-	-	-	-
Cheryl Way	Welsh Pharmacy Board and Assembly	-	-	-	-
Ruth Mitchell	Welsh Pharmacy Board and Assembly	-	-	-	-
Suzanne Scott-Thomas	Welsh Pharmacy Board and Assembly	-	-	-	-
Grand total		71,960	434	13,827	86,221

* Attendance amounts include other pieces of work undertaken, such as Community Pharmacy Consultation Service (CPCS) facilitation.

** Amounts include stipend as a member of the Publishing Board.

*** Attendance fees are paid direct to the Member's employer.

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